

**LICENSING AND RENEWAL
PROCEDURES
FOR RESIDENT AND
NONRESIDENT SURPLUS LINES
BROKERS**

April 2010

LICENSING AND RENEWAL PROCEDURES FOR RESIDENT AND NONRESIDENT SURPLUS LINES BROKERS

Requirements pertaining to all individual and business entity applicants –

Individual applicants must be at least 18 years of age.

Individual and business entity applicants can apply online at <http://scc.virginia.gov/division/boi/webpages/boiproducer.htm>. Effective March 15, 2010, the Bureau of Insurance no longer mails licenses. Administrative Letter 2010-02 provides instructions for verifying the license has been issued and printing the license online. The Administrative Letter may be reviewed at <http://scc.virginia.gov/division/boi/webpages/boiadminltrsforagents.htm>.

The initial licensing process requires a \$50 nonrefundable application-processing fee.

The initial licensing process requires any resident or nonresident applicant who has been convicted of (or pled guilty or nolo contendere to) a violation of law, other than a minor traffic offense, to provide:

- a) a written statement explaining the circumstances of each incident;
- b) a copy of the charging document;
- c) a copy of the official document, which demonstrates the resolution of the charges or any final judgment;
- d) if applicable, a letter from the federal or state probation and parole office outlining your performance or satisfactory completion of your probationary period;
- e) if applicable, a letter from your current or prospective employer if engaged in the business of insurance;
- f) your employment history since your conviction and a copy of any civil rights restoration; and
- g) if a nonresident agent, a copy of the 1033 waiver from your home state.

Renewals

The license will be in effect for up to one year depending upon when it is issued. The renewal process requires a \$50 nonrefundable application processing fee. It must be renewed prior to June 30 of each calendar year. The Bureau will mail a renewal notification to the Surplus Lines Broker in April. Renewals must be submitted to the Bureau on or before June 1 of each year in which the license will expire and can be submitted online at www.scc.virginia.gov/division/boi/webpages/boiproducer.htm. No matter when the license was issued, it must be renewed prior to June 30. A criminal history record report is not required. **Residents Only:** A new bond is not required for renewal, the Bureau will accept a continuation rider or attestation indicating the bond is still in force. The continuation confirmation must come from the bond company and include information substantiating the time frame in which the bond has been

extended. The continuation rider can be attached electronically if the renewal is submitted through Sircon's Compliance Express or it can be faxed to the Bureau at 804-371-9290.

RESIDENT APPLICANTS

Requirements pertaining to Resident Individual and Business Entity Applicants

The initial licensing process requires the **individual and business entity** to be a licensed Property and Casualty agent or agency in the state of Virginia. The Property and Casualty license must be maintained in order to hold a Surplus Lines broker license.

The initial licensing process requires **individual** Virginia residents to provide to the Bureau of Insurance a current Criminal History Record Report from the Virginia State Police (VSP). It may be faxed to 804-371-9290. You may download the form (SP-167) from the VSP website at www.vsp.state.va.us. If you fail to provide a current, no more than 90 days old, criminal history record report, the Bureau will refuse to issue a license to you. A Surplus Lines broker is not required to provide a criminal history record report during the renewal period. However, if you fail to renew the license, a criminal history record report is required.

SLB-2, BOND FOR SURPLUS LINES INSURANCE BROKER - The initial licensing process requires **individuals and business entities** to obtain a new bond, which must be mailed to the Bureau. The prior bond is not acceptable even if it shows a term of "continuous." A surety company licensed in Virginia must write the bond. The individual requesting the initial issuance of the license may complete the bond form. By completing the "Applicant's Certification and Attestation", you are certifying that you have acquired a new Surety bond in the amount of twenty-five thousand dollars (\$25,000). A new bond is not required for renewal, the Bureau will accept a continuation rider or attestation indicating the bond is still in force. The continuation confirmation must come from the bond company and include information substantiating the time frame in which the bond has been extended. The continuation rider can be attached electronically if the renewal is submitted through Sircon's Compliance Express or it can be faxed to the Bureau at 804-371-9290.

The **business entity** must have designated a Virginia licensed Property & Casualty producer who is responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia. The **business entity** must also provide at least one Authorized Individual (AI) who holds a Virginia Property & Casualty license. The designated Virginia licensed Property & Casualty producer and Authorized Individual can be the same individual and their information must have been reported to the PDB prior to applying for a business entity license. A licensed agency may update its firm associations online at www.scc.virginia.gov/division/boi/webpages/boiproducer.htm.

A **business entity** is not required to first obtain a certificate of authority, including a certificate of registration, certificate of organization, certificate of limited partnership, or charter, from the Commission prior to being eligible to obtain a license as an insurance agent, consultant, surplus lines broker, or viatical settlement broker. **However, the business entity must still obtain the necessary certificate of authority within 90 days of licensure. Failure to obtain that certificate of authority may result in the Bureau of Insurance terminating the producer license.** Contact the Clerk's Office at 804-371-9733 for details. www.scc.virginia.gov/index.aspx

NONRESIDENT APPLICANTS

Requirements pertaining to Non-Resident Individual and business entity Applicants

Individual and business entity applicants must hold specific license authority to act as a Surplus Lines Broker (or equivalent title) in the home state. A Surplus Lines Broker license will not be issued to individuals who do not hold this authority in their home state. If your home state does not report Surplus Lines authority to the NAIC's Producer Data Base (PDB), fax to 804-371-9290 a current, no more than 90 days old, certification from the insurance department in the state in which you reside. Note: Non-residents are not required to hold a Property & Casualty license in Virginia in order to obtain a Surplus Lines Broker license.

The **business entity** must have designated a Virginia licensed Property & Casualty producer who is responsible for the business entity's compliance with the insurance laws, rules and regulations of Virginia. The **business entity** must also provide at least one Authorized Individual (AI) who holds a Virginia Property & Casualty license. The designated Virginia licensed Property & Casualty producer and Authorized Individual can be the same individual and their information must have been reported to the PDB prior to applying for a business entity license. A licensed agency may update its firm associations online at www.scc.virginia.gov/division/boi/webpages/boiproducer.htm.

A **business entity** is not required to first obtain a certificate of authority, including a certificate of registration, certificate of organization, certificate of limited partnership, or charter, from the Commission prior to being eligible to obtain a license as an insurance agent or Surplus Lines Broker. **However, the business entity must still obtain the necessary certificate of authority within 90 days of licensure. Failure to obtain that certificate of authority may result in the Bureau of Insurance terminating the producer license.** Contact the Clerk's Office at 804-371-9733 for details.

MISCELLANEOUS

I. Address Changes

Every licensed producer is required by law to notify the Bureau within 30 calendar days of any change of residence. You should change your address online at <http://scc.virginia.gov/division/boi/webpages/boiproducer.htm>. DO NOT USE A COMPANY OR ANY BUSINESS ADDRESS (INCLUDING PO BOX) AS THE INDIVIDUAL PRODUCER'S RESIDENCE OR MAILING ADDRESS.

Any licensed agent or consultant who has moved his/her residence from this Commonwealth shall have all licenses terminated by the Commission.

II. Name Changes

Every licensed producer is required by law to notify the Bureau in writing within 30 calendar days of any change of name. These changes can be made by downloading and properly completing the Bureau's Service Request Form (5001) at <http://scc.virginia.gov/division/boi/webpages/boiformsapplications.htm>.

A copy of the marriage certificate, divorce decree, or court order is required. Please include your Virginia License Number or National Producer Number (NPN) with your request. You must sign the request. The Bureau will send you a duplicate license when we have processed your name change.

III. Certifications

Based upon the national initiative for uniformity of state insurance regulation, most states no longer require certification letters. Also, insurance companies may confirm the status of a producer's license on the NAIC's Producer Data Base (PDB), or on the Bureau's website at <http://scc.virginia.gov/division/boi/webpages/ConsumerInquiry/ProducerSearch.aspx>. Therefore, certification letters should not be required under most circumstances. However, if you should need a certification letter, you may obtain it online at www.sircon.com/virginia. You will be able to request and print your own certification letter from this site.

IV. Clearance Letters

Clearance letters must be requested by the Surplus Lines Broker, and submitted to the Bureau of Insurance on the Service Request (5001) Form. The request must include their Virginia License Number or National Producer Number (NPN), their new residence address, and the state the consultant is moving to. The Surplus Lines Broker must sign the request. All licenses and appointments will be terminated when the clearance is processed. The form may be downloaded from <http://scc.virginia.gov/division/boi/webpages/boiformsapplications.htm>.

V. Felony Conviction

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the facts and circumstances regarding a conviction of or pleading guilty or nolo contendere to any felony offense.

VI. Administrative Actions

An agent (resident or nonresident) is required by law to report to the Bureau of Insurance within 30 calendar days the final disposition, to include a copy of the order, consent to order, and/or other relevant legal documents, of any administrative action taken against him in another jurisdiction or by another governmental agency. The reporting of administrative actions maybe submitted to the Bureau electronically through the NIPR's Attachment Warehouse – Reporting of Actions at <https://pdb.nipr.com/roa/jsp/roa/roaterms.jsp>.

The above information is not intended to be all-inclusive. If you have any questions or problems not addressed here, please contact the Bureau at bureauofinsurance@scc.virginia.gov or visit our website shown below.

**Bureau of Insurance
Agents Licensing Section
P. O. Box 1157
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804-371-9631
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